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**WEICHAI**  
**濰柴動力股份有限公司**  
**WEICHAI POWER CO., LTD.**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 2338)**

**ANNOUNCEMENT**  
**CONTINUING CONNECTED TRANSACTIONS**  
**REVISION OF EXISTING CAPS**

**SUMMARY**

The Board announces that on 26 April 2010 the Group has entered into the Supplemental Agreements in respect of the Continuing Connected Transactions as more particularly described herein.

**I. INTRODUCTION**

Reference is made to the 2008 Announcement, 2008 Circular and 2009 Announcement of the Company in respect of, inter alia, the Continuing Connected Transactions of the Company where the Existing Caps for such Continuing Connected Transactions were set.

The Company proposes to revise the respective Existing Caps for the Continuing Connected Transactions and to set the New Caps for the year ending 31 December 2012, and for such purposes, the Group entered into the Supplemental Agreements.

A summary of the Continuing Connected Transactions, the Supplemental Agreements, the Existing Caps and the actual transaction amounts of such Continuing Connected Transactions for the relevant periods is set out below.

The New Caps for the Continuing Connected Transactions are based on the internal estimates of the Company, which are in turn determined by reference to, inter alia, the historical performance and operating conditions of the Group. The bases of the New Caps are more particularly set out in this announcement.

## II. CONTINUING CONNECTED TRANSACTIONS

### ***SUMMARY OF THE CONTINUING CONNECTED TRANSACTIONS AND THE NEW CAPS***

The Continuing Connected Transactions include the following:

| <b>Name of connected person</b> | <b>Name of Group Company</b>   | <b>Connected person's relationship with the Group</b>  | <b>Nature of the connected transaction with the Group</b>  |
|---------------------------------|--|--|--|
| 1. Weichai Gas                  | The Company, Weichai Resources ( <i>note 1</i> ) and Weichai Reproduction ( <i>note 2</i> ) (as the case may be) | Held as to 50% by Peterson (CNG) (an associate of Yeung Sai Hong (a non-executive Director and an associate of a Promoter) | (a) Supply of diesel engines and related parts by the Company (and its subsidiaries) to Weichai Gas<br><br>(b) Purchase of gas engines and related products by the Company (and its subsidiaries) from Weichai Gas |
| 2. Weichai Deutz                | The Company  | Held as to 50% by Weichai Holdings (a substantial Shareholder and a Promoter)  | Purchase of diesel engines and related products by the Company from Weichai Deutz  |

*Notes:*

1. Weichai Resources is a wholly-owned subsidiary of the Company.
2. Weichai Reproduction is a wholly-owned subsidiary of the Company.

A summary of the proposed New Caps for each of the Continuing Connected Transactions is set out below:

| Connected person and details of the relevant Continuing Connected Transaction                           | New Caps     |              |              |
|---|--------------|--------------|--------------|
|   | 2010<br>RMB  | 2011<br>RMB  | 2012<br>RMB  |
| <b>1. Weichai Gas</b>   |              |              |              |
| (a) Supply of diesel engines and related parts by the Company (and its subsidiaries) to Weichai Gas     | 80,000,000*  | 105,000,000* | 135,000,000* |
| (b) Purchase of gas engines and related products by the Company (and its subsidiaries) from Weichai Gas | 200,000,000* | 260,000,000* | 340,000,000* |
| <b>2. Weichai Deutz</b>   |              |              |              |
| Purchase of diesel engines and related products by the Company from Weichai Deutz                       | 200,000,000* | 300,000,000* | 500,000,000* |

*Notes:*

1. Where a New Cap is marked “\*”, that means the proposed New Caps for the relevant Continuing Connected Transactions do not exceed the 2.5% Threshold and are exempt from the approval by the Independent Shareholders.
2. For the purposes of ascertaining whether a Continuing Connected Transaction would exceed the 2.5% Threshold, the transactions within the paragraphs headed 1.(a) and 1.(b) have been aggregated and they do not exceed the 2.5% Threshold and are accordingly not subject to the approval of independent shareholders.

#### ***DETAILS OF THE CONTINUING CONNECTED TRANSACTIONS AND THE RELEVANT SUPPLEMENTAL AGREEMENTS***

The Company is principally engaged in the research and development, manufacturing and sale of high-speed heavy-duty diesel engines and engine parts.

Weichai Resources is a wholly-owned subsidiary of the Company and is principally engaged in the sale of parts and components of diesel engines.

Weichai Reproduction is a wholly-owned subsidiary of the Company and is principally engaged in the reproduction of parts and components of vehicles.

## 1. Continuing Connected Transactions between the Company (and its subsidiaries) and Weichai Gas

Weichai Gas is engaged in the business of, inter alia, manufacture and sale of gas-propelled internal combustion engines and parts, certain of which incorporate the entire WD615 Engines, with modifications, into them. Weichai Gas is owned as to 50% by the Company and as to 50% by Peterson (CNG), which is owned as to 50% by Yeung Sai Hong, a non-executive Director and an associate of a Promoter. Accordingly, Weichai Gas is a connected person of the Company.

### *(a) Supply of diesel engines and related parts by the Company (and its subsidiaries) to Weichai Gas*

Agreement: Supplemental Agreement to the framework agreement (“**Weichai Gas Supply Agreement**”) dated 21 October 2003 (as supplemented by supplemental agreements dated 15 September 2004, 12 November 2006, 27 November 2008 and 9 November 2009, respectively)

Date: 26 April 2010

Parties: 1. (a) The Company  
(b) Weichai Resources  
(c) Weichai Reproduction  
2. Weichai Gas

Term: 1 January 2010 to 31 December 2012

Other terms and details:

Pursuant to the Weichai Gas Supply Agreement (as supplemented by the supplemental agreements dated 15 September 2004, 12 November 2006 and 27 November 2008 and 9 November 2009, respectively, but prior to the entering into of this latest Supplemental Agreement), the Company has agreed to supply to Weichai Gas, at market prices and settled in the month following delivery, WD615 Engines and related parts for a term ending 31 December 2011.

Pursuant to this Supplemental Agreement, each of the Company, Weichai Resources and Weichai Reproduction has agreed to supply to Weichai Gas the said WD615 Engines and related parts on the same terms for a term ending 31 December 2012, upon the expiry of which the parties shall have the option to extend the term for another three years on a mutually agreed basis. Save as aforesaid and the revisions of the Existing Caps below, all other terms of the Weichai Gas Supply Agreement (as supplemented by the supplemental agreements dated 15 September 2004, 12 November 2006, 27 November 2008 and 9 November 2009, respectively, but prior to the entering into of this latest Supplemental Agreement) remain unchanged.

The table below summarises the Existing Caps for the three years ending 31 December 2011 for the Continuing Connected Transaction set out in this sub-section:

|              | <b>2009</b><br><i>RMB</i> | <b>2010</b><br><i>RMB</i> | <b>2011</b><br><i>RMB</i> |
|--------------|---------------------------|---------------------------|---------------------------|
| Existing Cap | 40,000,000                | 48,000,000                | 58,000,000                |

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2008 (audited) and the two months ended 28 February 2010 (unaudited) for the Continuing Connected Transaction set out in this sub-section:

|                           | <b>Year ended<br/>31 December<br/>2008</b><br><i>RMB</i> | <b>2009</b><br><i>RMB</i> | <b>Two months<br/>ended<br/>28 February<br/>2010</b><br><i>RMB</i> |
|---------------------------|--|---------------------------|--|
| Actual transaction amount | 17,179,000   | 39,836,000                | 8,532,000  |

The Company estimates that the transaction amount for this Continuing Connected Transaction for the three years ending 31 December 2012 will not exceed RMB80,000,000, RMB105,000,000 and RMB135,000,000, respectively and such amounts have accordingly been set as the proposed New Caps for this Continuing Connected Transaction.

The said diesel engines and related parts sold by the Group to Weichai Gas are modified by Weichai Gas into gas engines, which are in turn sold by Weichai Gas back to the Group for onward sale to its customers (including Shaanxi Zhongqi for installation in the vehicles to be sold by Shannxi Zhongqi). In the first quarter of 2010, the orders for the Group's heavy-duty vehicles (with gas engines installed) and gas engines have increased substantially. Accordingly, the Company expects that the transaction amount of the said diesel engines and related parts sold by the Group to Weichai Gas for modification into gas engines for the year of 2010 shall increase substantially by approximately 101% from that for the year of 2009, and is expected to maintain a relatively steady growth for the three years ending 31 December 2012. The Company is a leading manufacturer of diesel engines in the PRC. This evidences the quality and competitiveness of the Group's engines generally and, therefore, the Company believes that Weichai Gas will continue to purchase the Group's engines and related parts for the manufacture of its products.

The proposed New Caps have been prepared by the Company primarily based on (i) the historical costs, (ii) the estimate of the volume of diesel engines and related parts required by Weichai Gas, (iii) the average unit prices of such diesel engines and related parts, and (iv) the assumption that the sales of the Group's diesel engines to Weichai Gas will increase by approximately 31% and 29% for each of the years ending 31 December 2012 and 31 December 2012, respectively.

The table below summarises the New Caps for the Continuing Connected Transaction set out in this sub-section for the three years ending 31 December 2012:

|         | <b>2010</b> | <b>2011</b> | <b>2012</b> |
|---------|-------------|-------------|-------------|
|         | <i>RMB</i>  | <i>RMB</i>  | <i>RMB</i>  |
| New Cap | 80,000,000  | 105,000,000 | 135,000,000 |

As the New Caps for this Continuing Connected Transaction (when aggregated with the Continuing Connected Transaction under section 1.(b) below) for the three years ending 31 December 2012 do not exceed the 2.5% Threshold, the said Continuing Connected Transaction constitutes an Exempt Continuing Connected Transaction of the Company under Chapter 14A of the Listing Rules and will be subject to the reporting and announcement requirements set out in Rules 14A.45, 14A.46 and 14A.47 of the Listing Rules and the annual review requirements of Rules 14A.37 and 14A.38 of the Listing Rules.

Since this Continuing Connected Transaction for the three years ending 31 December 2012 is an Exempt Continuing Connected Transaction and the New Caps are not subject to the approval of independent shareholders, this Supplemental Agreement is unconditional.

*(b) Purchase of gas engines and related products by the Company (and its subsidiaries) from Weichai Gas*

Agreement: Supplemental Agreement to the purchase of gas engines and related products agreement (“**Weichai Gas Purchase Agreement**”) dated 27 April 2009 as supplemented by the supplemental agreement dated 9 November 2009

Date: 26 April 2010

Parties: 1. (a) The Company  
(b) Weichai Reproduction  
2. Weichai Gas

Term: 1 January 2010 to 31 December 2012

Other terms and details:

Pursuant to the Weichai Gas Purchase Agreement (as supplemented by the supplemental agreement dated 9 November 2009 but prior to the entering into of this latest Supplemental Agreement), the Company has agreed to purchase certain gas engines and related products from Weichai Gas, at market prices and settled in the month following delivery, for a term ending 31 December 2011.

Pursuant to this Supplemental Agreement, each of the Company and Weichai Reproduction has agreed to purchase the said gas engines and related products from Weichai Gas on the same terms for a term ending 31 December 2012, upon the expiry of which the parties shall have the option to extend the term for another three years on a mutually agreed basis. Save as aforesaid and the revisions of the Existing Caps below, all other terms of the Weichai Gas Purchase Agreement (as supplemented by the supplemental agreement dated 9 November 2009 but prior to the entering into of this latest Supplemental Agreement) remain unchanged.

The table below summarises the Existing Caps for the three years ending 31 December 2011 for the Continuing Connected Transaction set out in this sub-section:

|              | <b>2009</b> | <b>2010</b> | <b>2011</b> |
|--------------|-------------|-------------|-------------|
|              | <i>RMB</i>  | <i>RMB</i>  | <i>RMB</i>  |
| Existing Cap | 77,000,000  | 93,000,000  | 111,000,000 |

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2009 (audited) and the two months ended 28 February 2010 (unaudited) for the Continuing Connected Transaction set out in this sub-section:

|                           | <b>Year ended</b>  | <b>Two months</b> |
|---------------------------|--------------------|-------------------|
|                           | <b>31 December</b> | <b>ended</b>      |
|                           | <b>2008</b>        | <b>2009</b>       |
|                           | <i>RMB</i>         | <i>RMB</i>        |
| Actual transaction amount | 11,493,000*        | 72,958,000**      |

*Note:*

\* *This represents the actual transaction amounts between Weichai Gas and Shaanxi Zhongqi. For details, please refer to the 2009 Weichai Gas Announcement.*

\*\* *This represents the actual transaction amounts (i) between Weichai Gas and Shaanxi Zhongqi for the three months ended 31 March 2009; and (ii) between Weichai Gas and the Company for the nine months ended 31 December 2009. For details, please refer to the 2009 Weichai Gas Announcement.*

The Company estimates that transaction amounts for this Continuing Connected Transaction for the three years ending 31 December 2012 will not exceed RMB200,000,000, RMB260,000,000 and RMB340,000,000, respectively and such amounts have accordingly been set as the proposed New Caps for this Continuing Connected Transaction.

In the first quarter of 2010, the orders for the Group's heavy-duty vehicles (with gas engines installed) and gas engines have increased substantially. Accordingly, the Company expects that the transaction amount of gas engines and related products purchased by the Group from Weichai Gas for onward sale to its customers (including Shaanxi Zhongqi for installation in the vehicles to be sold by Shannxi Zhongqi) for the year of 2010 shall increase substantially by approximately 174% from that for the year of 2009, and is expected to maintain a relatively steady growth for the three years ending 31 December 2012.

The proposed New Caps have been prepared by the Company primarily based on (i) the historical costs, (ii) the estimate of the number of gas engines to be purchased by the Group from Weichai Gas, (iii) the average unit price of such gas engines, and (iv) the assumption that the transaction amount of the purchase of gas engines and related products to be purchased by the Group from Weichai Gas will increase by approximately 30% and 31% for each of the years ending 31 December 2011 and 31 December 2012, respectively.

The table below summarises the New Caps for the Continuing Connected Transaction set out in this sub-section for the three years ending 31 December 2012:

|         | <b>2010</b> | <b>2011</b> | <b>2012</b> |
|---------|-------------|-------------|-------------|
|         | <i>RMB</i>  | <i>RMB</i>  | <i>RMB</i>  |
| New Cap | 200,000,000 | 260,000,000 | 340,000,000 |

As the New Caps for this Continuing Connected Transaction (when aggregated with the Continuing Connected Transaction under section 1.(a) above) for the three years ending 31 December 2012 do not exceed the 2.5% Threshold, the said Continuing Connected Transaction constitutes an Exempt Continuing Connected Transaction of the Company under Chapter 14A of the Listing Rules and will be subject to the reporting and announcement requirements set out in Rules 14A.45, 14A.46 and 14A.47 of the Listing Rules and the annual review requirements of Rules 14A.37 and 14A.38 of the Listing Rules.

Since this Continuing Connected Transaction for the three years ending 31 December 2011 is an Exempt Continuing Connected Transaction and the New Caps are not subject to the approval of independent shareholders, this Supplemental Agreement is unconditional.



## 2. Continuing Connected Transaction between the Company and Weichai Deutz

Weichai Deutz is engaged in the manufacture and sale of, inter alia, 226B series of diesel engines and parts, certain of which require semi-finished diesel engine parts provided by the Company. Weichai Deutz is owned as to 50% by Weichai Holdings (a substantial Shareholder and a Promoter) and, accordingly, Weichai Deutz is an associate of Weichai Holdings and, hence, a connected person of the Company.

The other 50% interest in Weichai Deutz is held by Deutz AG, which is an internationally renowned manufacturer of diesel and gas engines. Deutz AG is independent of and is not connected with any Director or substantial Shareholder or an associate of any of them.

### *Purchase of diesel engines and related products by the Company from Weichai Deutz*

Agreement:       Supplemented Agreement to diesel engines purchase agreement (“**Weichai Deutz Purchase Agreement**”) dated 27 November 2008

Date:               26 April 2010

Parties:           1.     The Company  
                      2.     Weichai Deutz

Term:              1 January 2010 to 31 December 2012

Pursuant to the Weichai Deutz Purchase Agreement (but prior to the entering into of this Supplemental Agreement), the Company has agreed to purchase certain diesel engines and related products from Weichai Deutz for onward sales to its customers, at market prices and settled on a quarterly basis for a term ending 31 December 2010. Pursuant to this Supplemental Agreement, the Company has agreed to purchase the said diesel engines and related products from Weichai Deutz on the same terms for a term ending 31 December 2012, upon the expiry of which the Company shall have an option to extend the term for another three years on a mutually agreed basis. Save as aforesaid and the revisions of the Existing Caps below, all other terms of the Weichai Deutz Purchase Agreement remain unchanged.

The table below summarises the Existing Caps for the three years ending 31 December 2010 for the Continuing Connected Transaction set out in this sub-section:

|              | <b>2008</b><br><i>RMB</i> | <b>2009</b><br><i>RMB</i> | <b>2010</b><br><i>RMB</i> |
|--------------|---------------------------|---------------------------|---------------------------|
| Existing Cap | 24,000,000                | 28,000,000                | 32,000,000                |

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2009 (audited) and the two months ended 28 February 2010 (unaudited), the actual transaction amount for the Continuing Connected Transaction set out in this sub-section:

|                           | <b>Year ended 31 December</b><br><b>2008</b><br><i>RMB</i> | <b>2009</b><br><i>RMB</i> | <b>Two months ended</b><br><b>28 February</b><br><b>2010</b><br><i>RMB</i> |
|---------------------------|--|---------------------------|--|
| Actual transaction amount | 20,366,000   | 27,478,000                | 21,630,000   |

The Company estimates that the transaction amounts involved in the Continuing Connected Transaction set out in this sub-section will not exceed RMB200,000,000, RMB300,000,000 and RMB500,000,000, respectively, for each of the three years ending 31 December 2012 and such amounts have accordingly been set as the New Caps for this Continuing Connected Transaction.

In the first half of 2010, the orders for the Group's diesel engines have increased substantially. Accordingly, the Company expects that the transaction amount of the diesel engines and related products purchased by the Group from Weichai Deutz for onward sale to its customers for the year of 2010 shall increase substantially by approximately 628% compared to that of the year of 2009, and is expected to main a relatively steady growth for the three years ending 31 December 2012.

The proposed New Caps have been prepared by the Company primarily based on the relevant historical costs and the assumption that transaction amount of the purchase of diesel engines and related products by the Company from Weichai Deutz will increase by approximately 50% and 67% for the years 2011 and 2012, respectively.

The table below summarises the proposed New Caps for the Continuing Connected Transaction set out in this sub-section for the three years ending 31 December 2012:

|         | <b>2010</b><br><i>RMB</i> | <b>2011</b><br><i>RMB</i> | <b>2012</b><br><i>RMB</i> |
|---------|---------------------------|---------------------------|---------------------------|
| New Cap | 200,000,000               | 300,000,000               | 500,000,000               |

As the New Caps for this Continuing Connected Transaction for the three years ending 31 December 2012, do not exceed the 2.5% Threshold, it constitutes an Exempt Continuing Connected Transaction of the Company under Chapter 14A of the Listing Rules and will be subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.46 and 14A.47 of the Listing Rules and the annual review requirements of Rules 14A.37 and 14A.38 of the Listing Rules.

Since this Continuing Connected Transaction for the three years ending 31 December 2012 is an Exempt Continuing Connected Transaction and the New Caps are not subject to the approval of independent shareholders, this Supplemental Agreement is unconditional.

As stated in the 2008 Circular, for the purposes of ascertaining whether a continuing connected transaction would exceed the 2.5% Threshold, the Continuing Connected Transaction set out in this sub-section had been aggregated with the following continuing connected transactions and, on an aggregated basis, they exceeded the 2.5% Threshold and were subject to the approval of the independent shareholders of the Company:

- (i) purchase of diesel engine parts and components, gas, scrap metals, etc., raw materials and related products and processing services by the Company from Weichai Holdings (and its associates) (as the case may be) (as set out under heading A.1.(c) in the 2008 Circular);
- (ii) purchase of diesel engine parts and components and related products by Weichai Resources from Weichai Deutz (as set out under heading A.4.(b) in the 2008 Circular); and
- (iii) purchase of diesel engine parts and components, materials, steel and scrap metal, etc. and related products and processing services by the Company and Weichai Resources (as the case may be) from Weichai Heavy-duty Machinery (formerly known as 山東巨力股份有限公司 (Shandong Juli Company Limited) (as set out under heading A.5.(b) in the 2008 Circular).

The Company confirms that the Existing Caps for each of the continuing connected transactions set out under paragraphs (i), (ii) and (iii) above shall remain unchanged.

### **III. REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS AND LISTING RULES IMPLICATIONS**

The Board is of the view that (i) the sale of diesel engines and related parts to Weichai Gas and the purchase of gas engines and related products manufactured by Weichai Gas by modifying the diesel engines it purchased from the Group, and the onward sale of the gas engines by the Group to its customers (including Shaanxi Zhongqi for installation in the vehicles to be sold by Shaanxi Zhongqi); and (ii) the purchase of diesel engines and related products by the Company from Weichai Deutz for onward sale to its customers, form part of the Group's strategy of the manufacture and sale of diesel engines and vehicles of the Group as a whole. The Company has a strong strategic and business relationships with the relevant entities involved in the relevant Continuing Connected Transactions and has, accordingly, purchased the said gas engines from Weichai Gas and the said diesel engines from Weichai Deutz instead of other market suppliers.

The Board is of the view that through the Continuing Connected Transactions, the Group will be able to have a centralised network of the production of vehicles (and the gas engines required) and diesel engines, which allows the Group to have a better control over the overall production process including the cost, timing and delivery of such products. The Directors, including the independent non-executive Directors, consider it beneficial to the Company to continue to conduct the Continuing Connected Transactions in order to ensure and maximise the operating efficiency and stability of the operations of the Company.

The Directors (including the independent non-executive Directors) have confirmed that the Continuing Connected Transactions have been subject to arm's length negotiation between the Group and the relevant parties, and have been entered into by the Group in the ordinary and usual course of business and either (i) on normal commercial terms or better, or (ii) on terms no less favourable to the Group than those available to or from (as appropriate) independent third parties.

The Directors (including the independent non-executive Directors) are of the view that the Continuing Connected Transactions, and the relevant proposed New Caps, are fair and reasonable and in the interests of the Shareholders as a whole.

Since the New Caps of the Continuing Connected Transactions do not exceed the 2.5% Threshold, they constitute Exempt Continuing Connected Transactions of the Company under Chapter 14A of the Listing Rules and their respective New Caps will be subject to the reporting and announcement requirements set out in Rules 14A.45, 14A.46 and 14A.47 of the Listing Rules, as well as annual review by the independent non-executive Directors under Rule 14A.37 of the Listing Rules and by the Company's auditors under Rule 14A.38 of the Listing Rules.

#### IV. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

|                                       |  |
|---------------------------------------|--|
| “0.1% Threshold”                      | the thresholds referred to in Rule 14A.33(3) of the Listing Rules  |
| “2.5% Threshold”                      | the thresholds referred to in Rule 14A.34 of the Listing Rules   |
| “2008 Announcement”                   | the announcement of the Company dated 27 November 2008 in respect of certain continuing connected transactions of the Company                            |
| “2008 Circular”                       | the circular of the Company dated 18 December 2008 in respect of certain non-exempt continuing connected transactions of the Company                     |
| “2009 Announcement”                   | the announcement of the Company dated 9 November 2009 in respect of certain continuing connected transactions of the Company                             |
| “2009 Weichai Gas Announcement”       | the announcement of the Company dated 27 April 2009 in respect of certain continuing connected transaction between the Company and Weichai Gas           |
| “Company”                             | 濰柴動力股份有限公司 (Weichai Power Co., Ltd.), a company established in the PRC with limited liability  |
| “Continuing Connected Transaction(s)” | the continuing connected transaction(s) of the Group set out in the section headed “II. Continuing Connected Transactions” in this announcement          |
| “Director(s)”                         | the director(s) of the Company   |
| “Existing Cap(s)”                     | the existing cap(s) for the Continuing Connected Transactions set out in the section headed “II. Continuing Connected Transactions” in this announcement |

|  |  |
|--|--|
| “Exempt Continuing Connected Transactions” | being those Continuing Connected Transactions the proposed New Caps for which do not exceed the 2.5% Threshold and, accordingly, not subject to the approval by independent shareholders and, where such New Caps exceed the 0.1% Threshold, are only subject to the reporting requirements set out in Rules 14A.45 and 14A.46, the announcement requirement in Rule 14A.47 and the annual review requirements in Rules 14A.37 and 14A.38 of the Listing Rules |
| “Group”                                    | the Company and its subsidiaries   |
| “Listing Rules”                            | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited   |
| “New Cap(s)”                               | as defined in the section headed “II. Continuing Connected Transactions” in this announcement  |
| “Peterson (CNG)”                           | Peterson (CNG) Equipment Limited, a company owned as to 50% by Yeung Sai Hong, a non-executive Director  |
| “PRC”                                      | the People’s Republic of China   |
| “Promoter(s)”                              | the promoter(s) of the Company   |
| “RMB”                                      | Renminbi, the lawful currency of the PRC   |
| “Shaanxi Zhongqi”                          | 陝西重型汽車有限公司 (Shaanxi Heavy Duty Motor Company Limited), a company established in the PRC and a 51% subsidiary of the Company  |
| “Shareholder(s)”                           | holder(s) of the shares of the Company   |
| “Supplemental Agreements”                  | the supplemental agreements relating to the Continuing Connected Transactions entered into between the Group and the relevant connected persons as more particularly set out in the section headed “II. Continuing Connected Transactions” in this announcement and “Supplemental Agreement” means any of them   |
| “WD615 Engines”                            | the water-cooled, linear, 6-cylinder, turbo-charging, direct-injection high- speed diesel engine(s) with a displacement of 9.726 litres, manufactured by the Company   |

|                                    |  |
|------------------------------------|--|
| “Weichai Deutz”                    | 濰坊濰柴道依茨柴油機有限公司 (Weifang Weichai Deutz Diesel Engine Co., Ltd.), a company established in the PRC and a connected person of the Company   |
| “Weichai Deutz Purchase Agreement” | has the meaning ascribed to it under the section headed “II.2 Continuing Connected Transaction between the Company and Weichai Deutz” in this announcement   |
| “Weichai Gas”                      | 濰坊濰柴培新氣體發動機有限公司 (Weifang Weichai Peterson Gas Diesel Engines Company Limited), a company established in the PRC and a connected person of the Company  |
| “Weichai Gas Purchase Agreement”   | has the meaning ascribed to it under the section headed “II.1.(b) Purchase of gas engines and related products by the Company (and its subsidiaries) from Weichai Gas” in this announcement                                    |
| “Weichai Gas Supply Agreement”     | has the meaning ascribed to it under the section headed “II.1.(a) Supply of diesel engines and related parts by the Company (and its subsidiaries) to Weichai Gas” in this announcement  |
| “Weichai Heavy-duty Machinery”     | 濰柴重機股份有限公司 (Weichai Heavy-duty Machinery Co., Ltd.), (formerly known as 山東巨力股份有限公司 (Shandong Juli Company Limited)), a company established in the PRC and a connected person of the Company                                    |
| “Weichai Holdings”                 | 濰柴控股集團有限公司 (Weichai Group Holdings Limited) (formerly known as “濰坊柴油機廠 (Weifang Diesel Engine Works)”), a legal person established in the PRC, a substantial Shareholder and a Promoter, and a connected person of the Company |
| “Weichai Reproduction”             | 濰柴動力(濰坊)再製造有限公司 (Weichai Power (Weifang) Reproduction Company Limited), a company established in the PRC and a wholly-owned subsidiary of the Company; and   |

“Weichai Resources”

濰柴動力(濰坊)備品資源有限公司 (Weichai Power Reserves and Resources Company Limited), a company established in the PRC and a wholly- owned subsidiary of the Company.

By order of the Board  
**Tan Xuguang**  
Chairman and CEO

Hong Kong, 26 April 2010

*As at the date of this announcement, the executive Directors of the Company are Mr. Tan Xuguang, Mr. Xu Xinyu, Mr. Sun Shaojun and Mr. Zhang Quan; the non-executive Directors of the Company are Ms. Zhang Fusheng, Mr. Liu Huisheng, Mr. Yao Yu, Mr. Yeung Sai Hong, Mr. Chen Xuejian, Mr. Li San Yim, Mr. Julius G. Kiss, Ms. Han Xiaoqun, Mr. Gu Linsheng, Mr. Li Shihao and Mr. Liu Zheng; and the independent non-executive Directors of the Company are Mr. Zhang Xiaoyu, Mr. Koo Fook Sun, Louis and Mr. Fang Zhongchang.*